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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
Verizon Communications Inc. and)
Frontier Communications Corporation)
Applications for Approval of)
Transfer of Control)

WC Docket No. 09-95

FILED/ACCEPTED

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Federal Communications Commission
Office of the Secretary

**RESPONSE OF VERIZON
TO THE COMMISSION'S FEBRUARY 12, 2010
INFORMATION AND DOCUMENT REQUEST**

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Verizon's Responses to the FCC's Information and Document Requests

Verizon provides its responses to the Federal Communications Commission's Information and Document Requests, as modified by FCC staff on February 19, 2010. Verizon reserves the right to supplement these responses as further information becomes available and in accordance with staff's request for continuing production.

Substantive responses and references to documents that will be produced are identified below by the relevant subpart to FCC's Information and Document Requests. Where the response indicates that responsive documents will be produced, these documents will be processed and organized according to the instructions attached to the Information and Document Requests and our discussions regarding this matter. Verizon has taken diligent steps to ensure that it has not produced any information that is protected by the attorney-client, work product, or other privileges. Any such production by Verizon was inadvertent and does not constitute a waiver of any privilege. Verizon reserves the right to request the return of any inadvertently produced protected information and asks that your office, upon receiving such a request, promptly return all copies of such information to Verizon and make no further use of that information. Verizon has also identified specific documents as confidential and subject to the existing protective orders in this docket, or as highly confidential and subject to Applicants' request for third protective order. Where there has been ongoing and evolving work, Verizon has produced the most recent responsive documents. In addition, pursuant to the February 22, 2010 *ex parte*, Verizon is not producing duplicate copies of documents also produced by Frontier.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #1

For West Virginia and each of the 13 legacy GTE states that are the subject of this application, please describe in detail:

- a. The current state of the OSS in use by Frontier in each of these areas (to the extent applicable), including:
 - (1) whether those systems are wholly manual;
 - (2) the extent to which any automated processes exist in the current systems;
 - (3) the order volumes and trouble ticket volumes handled by the systems at present, both retail and wholesale, along with copies of all supporting documentation for this response;
 - (4) how much Frontier currently spends on running and maintaining its existing OSS.
- b. Copies of all notes, minutes, memoranda, or other documents prepared (whether internally or by outside advisors) for, or in the course of, discussing, or memorializing the monthly cutover planning committee meetings between the parties.
- c. Copies of all notes, minutes, memoranda, or other documents prepared (whether internally or by outside advisors) for, or in the course of, discussing, or memorializing any "business-to-business point of contact calls" between the parties regarding the OSS conversion/cutover processes.
- d. If your response to (b) and (c) is that no such documents exist, please explain how the companies are monitoring their progress in the cutover planning process.

RESPONSE TO FCC DATA REQUEST #1

- a. Please see the response as provided by Frontier.
- b. Please see the response as provided by Frontier. Additionally, Verizon responds as follows.

The Cutover Plan Support Agreement establishes a Cutover Planning Committee ("CPC") (also sometimes called the "Cutover Task Force"). The CPC is comprised of senior leaders from Verizon and Frontier (each has designated two representatives), who bring in additional subject matter experts as appropriate. The CPC discusses, plans, and coordinates cutover activities and formulated the detailed schedule of cutover steps with related timelines. The CPC meets weekly to discuss broad cutover related issues.

Based on these discussions and meetings, Verizon has delivered to Frontier a detailed plan ("Cutover Plan") that describes precisely what cutover activities it will perform, and how they will be performed. The Cutover Plan describes the deliverables

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for which Verizon will be responsible, and the process Verizon will use for extracting and transferring data to Frontier, and also includes a schedule of the deliverables. Frontier delivered to Verizon a "Cutover Preparation Task Description" (entitled Frontier Cutover Plan). That document describes, among other things, a plan for the receipt, conversion and conversion testing of Verizon's test data extracts. This information enables Verizon to better understand and therefore assist Frontier in its cutover preparation.

There are also pre-transaction transition support provisions under which Verizon will provide Frontier with essential business information regarding Verizon West Virginia, including information about file record layouts and test data extracts. Verizon has already begun to deliver file record layouts and sample file data to Frontier, and the test data extract process has begun. The test extract process provides both Verizon and Frontier opportunities to review and test procedures, processes, data loading, and mapping, among other things, for the final cutover data extract. The test extracts also provide Frontier with Verizon data that can be used to exercise their systems prior to the final cutover and allow both parties the ability to run through the entire process in preparation for the final cutover extract. Verizon and Frontier have agreed that Verizon will deliver three test data extracts.

Documents responsive to this request are identified in Verizon's master index listing, at Appendix A, and copies of responsive documents will be provided. These include the parties' respective Cutover Plans and meeting minutes for the CPC meetings.

c. Please see the response as provided by Frontier. Additionally, Verizon responds as follows:

The parties engage in regular business to business communications regarding the OSS cutover in addition to the CPC meetings. These include informal communications and discussions regarding action items identified in or ancillary to the CPC meetings and Cutover Plan. The parties also have met to discuss data mapping, conducted a data workshop, exchanged information regarding data mapping, and discussed the test extract process (as described above). For example, the parties have engaged in a Data Workshop and conducted Data Mapping sessions. These meetings provide the forum for Verizon to explain and describe the data (format as well as values and what the values mean) Frontier will be receiving. This knowledge helps Frontier to determine what Verizon fields or combination of fields to use when mapping the data to their systems.

Documents responsive to this request are identified in Verizon's master index listing, at Appendix A, and copies of responsive documents will be provided. These include information regarding the committee, the Cutover Plan, and information regarding the exchange of data, data mapping, and test extract information.

d. Please see the above responses to parts b and c, above, and relevant documents produced in response to those requests.

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FCC DATA REQUEST #2

In their May 29, 2009 filing with the West Virginia PUC (at ¶ 36), the parties state that they “have developed a formal process that will govern the conversion of retail and wholesale customer data from Verizon to Frontier’s existing back office systems” and that “This transaction will follow the standard process used in successful consolidations within the industry today.”

- a. Please provide copies of all documents prepared (whether internally or by outside advisors) for, or in the course of, discussing, or memorializing the development of the formal process governing the West Virginia conversion, as referenced in the May 29 filing.
 - (1) Is this formal process the same as the “standard process in successful consolidations within the industry today” referenced in the May 29 filing?
 - (2) If not, describe how and why it differs from the “standard process in successful consolidations within the industry today” referenced in the May 29 filing.
- b. Please describe in detail how this formal conversion process has been refined or revised since the May 29 filing, and provide copies of all documents prepared (whether internally or by outside advisors) for, or in the course of, discussing, or memorializing such refinements or revisions.
- c. Please describe in detail all testing plans and protocols that the parties have developed and plan to or have begun to implement prior to the cutover in West Virginia, including the timeframe(s) for such testing plans and protocols.
 - (1) Are there any plans in place for independent, third-party testing of the West Virginia OSS prior to cutover? If so, please provide details; if not, explain why you believe such independent testing is not necessary.
 - (2) Explain in detail how the “shadow environment” for the West Virginia OSS cutover process is being conducted, and what plans are in place for migrating the “shadow environment” to the live system at cutover.
 - (3) Explain in detail how the data extract from Verizon’s West Virginia systems to Frontier’s existing OSS (“mapping comparables”) is addressing the differences that exist between the two systems (e.g., where Frontier’s current system does not include all of the same categories of information as Verizon’s).
- d. Please describe in detail all plans Frontier has made or is in the process of making to ensure continuity of service to customers should the West Virginia OSS fail after going live post-closing. Please provide copies of all supporting documentation for your response.

RESPONSE TO FCC DATA REQUEST #2

a(1-2). In this transaction, consistent with successful consolidations within the industry today, Verizon will extract final data from its information systems and deliver that data to Frontier for use on Frontier's systems. “Cutover” and the “Cutover process”, in this

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context, refers specifically to the process by which relevant customer data is extracted from Verizon's systems and provided to Frontier in the proper format. Frontier, having mapped that data to the appropriate fields in its OSS systems, will load the extracted data into its existing systems. The process that will govern the conversion of this retail and wholesale customer data from Verizon to Frontier's existing back office systems is described in the Cutover Plan Support Agreement (Cutover Agreement) produced in response to Request # 1 and the process as described therein. For example, the Cutover Agreement establishes a Cutover Planning Committee as described in the response to that request, which will discuss and plan cutover activities, and provides for the Cutover Plan and Cutover Preparation Task Description, as well as manages the schedule of deliverables, including the test extracts and their receipt, conversion, and conversion testing in anticipation of closing and cutover.

The process described above is the same as that used in successful consolidations within the industry today, and one that Frontier itself has used successfully in a number of transactions, including with Verizon. Verizon utilized this cutover process in prior transactions with CenturyTel (now CenturyLink) and Alltel, among many others. In each case, the transferee used its systems to serve customers after the closing of the transaction. Verizon provided test data extracts and a final data extract to the transferee to load into its systems and to complete the cutover at closing. The cutover process in these transactions was successful.

Verizon also utilized a similar cutover process in the Hawaiian Telecom and FairPoint transactions. In both of those transactions, the cutover process was also successful: Verizon properly prepared test data extracts and provided a final data extract to be loaded into the transferees' newly designed systems. However, in those instances, rather than use existing systems, the transferee created new systems that had not been previously operational. Operational problems occurred after data was transferred for use in the newly developed systems (including problems relating to billing processes, order flow, and call center response for both retail and wholesale operations). Those problems stemmed from issues that arose within the new systems themselves, but were not related to any problems with the data extract or the cutover process.

Importantly, the cutover process that will be utilized with Frontier is straightforward and does not pose the issues presented in Hawaiian Telecom or FairPoint. Unlike a complex cutover to newly designed systems, Verizon's extraction and provision of data to Frontier will be basically identical to the process used in other successfully completed telecommunications acquisitions.

Verizon is taking several additional steps to facilitate the success of the data transfer and cutover including:

- Implementing record layout quality control checks to ensure record layout matches extract before releases data.
- Creating a "Landing Pad" where Verizon files are staged (quality checked) prior to transmission to Frontier.

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- Developing standard data extract transmittals.
- Standardizing on a few extract control totals (record layouts, checksum, etc.)
- Delivering data extracts primarily via electronic means instead of physical media.

Documents responsive to this request are identified in Verizon's master index listing, at Appendix A, and copies of responsive documents will be provided.

b. Please see the descriptions of the Cutover Plan and CPC in response to FCC Request # 1. The Cutover Plan has not been revised since it was developed.

c. Please see the response as provided by Frontier, and the responses to Parts 1 and 2(a) above. Additionally, Verizon responds as follows.

As noted above, the parties will follow a cutover process like that used in successful consolidations within the industry today. Central to that process, Verizon will provide Frontier with test data extracts to use in assessing and preparing for cutover. The test data extracts will be a snapshot of the Verizon data at a particular point in time, which is similar in content and volume to the final cutover extract.

In particular, Verizon will identify the relevant customer data from its systems and furnish Frontier with data descriptions, data formats and layouts, and a series of full data test extracts from the Verizon systems which hold the data. The data provided by Verizon will include customer, billing, network, financial and other information that is necessary for Frontier to carry on with business after close of the sale. For Frontier to use Verizon's data extracts they must know the physical record layout of the extract and the meaning of the actual fields within the extract. Thus, Verizon has delivered record layouts and sample file data to Frontier and has participated in data mapping sessions (explaining the data) so Frontier can fully understand the data, identify where it needs to go in their suite of applications, and translate values accordingly.

Frontier will receive the test data, map it to its own comparable systems, and then load and test its systems to confirm that the data has been mapped properly. Frontier will use the data extracts to convert and migrate the OSS systems data to their platform. Frontier will use the test extracts to create conversion programs to transfer the data from Verizon to Frontier systems at cutover. Frontier will also test the functioning of their systems with Verizon data before receiving the final extract at cutover. Frontier will conduct tests with CLECs to make sure that the existing CLEC interfaces will work with converted Verizon OSS data. Frontier's tests will be independent of Verizon's, covering not just the data, but also enhancements that Frontier has made to its systems to support the West Virginia requirements for this new area. In addition, the parties will follow the same process described above for retail ordering and billing systems. Frontier will use this data on its existing systems to provide services according to applicable law and contracts.

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Immediately before closing, Verizon will extract final data from its information systems and deliver that data to Frontier for use on Frontier's systems. Frontier will ensure everything is working according to specifications before using the final extract to cut over OSS systems processing to their platform. Prior to the integration of the new systems, a team of Frontier's cross-functional leaders will determine a "Go/No Go" decision. A "Go" decision will be made if all testing has been completed to satisfaction. If a "No Go" decision is made, further refinement and testing will occur until the team is assured that the new systems have been integrated successfully and will operate properly.

Prior to closing, Verizon and Frontier will conduct at least three data extract test runs that will be essentially the same as the final data extract that will take place at cutover so any post-cutover operational issues may be identified and resolved. The parties completed the first test data extract successfully in 2009. The second test data extract is scheduled for the end of February 2010; the third for the end of May.

c(1). Please see the response as provided by Frontier regarding plans for testing Frontier's West Virginia OSS. Verizon further responds that there are no plans in place for independent, third-party testing of Verizon's West Virginia OSS prior to close.

c(2). Please see the response as provided by Frontier.

c(3). Please see the response as provided by Frontier.

d. Please see the response as provided by Frontier.

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FCC DATA REQUEST #3

Please describe in detail all testing plans and protocols the parties have developed and plan to or have begun to implement prior to the cutover in the 13 legacy GTE territories, including the timeframe(s) for such testing plans and protocols.

- a. Are there any plans in place for independent, third-party testing of the 13 legacy GTE territories' OSS prior to cutover? If so, please provide details; if not, explain why you believe such independent testing is not necessary.
- b. To the extent there are results available from ongoing or completed tests, please provide details of those results and any supporting documentation.
- c. With respect to the Fort Wayne OSS center, please describe in detail (and provide copies of all supporting documentation for your responses to each section below):
 - (1) An explanation of how Verizon currently ensures continuity of service (e.g., network and equipment redundancies, or other back-up measures in the event of system failures) in the Fort Wayne OSS center;
 - (2) whether Frontier plans to build in similar back-up measures or network and equipment redundancies to ensure continuity of service for the merged entity's OSS, and if so, the types and extent of those measures; and
 - (3) all plans Frontier has made or is in the process of making to ensure continuity of service to customers should the Fort Wayne OSS fail upon going live at closing/cutover.
- d. Provide copies of all documents prepared (whether internally or by outside advisors) for, or in the course of, discussing or memorializing the replication test plan developed as of November 2009 for the Fort Wayne center.

RESPONSE TO FCC DATA REQUEST #3

a. As noted in Verizon's reply comments and supporting declarations, Verizon will create a separate instance in the Fort Wayne, Indiana data center of Verizon proprietary software systems that will enable Spingo (and following the merger, Frontier) to provide in the transferred former GTE states functionality substantially similar to, but not less favorable than, that which Verizon received as of the date of the Merger Agreement. Verizon will take numerous steps to confirm that the functionality and performance of the replicated operational support systems that will be migrated to Frontier will remain at least at the same level of quality as currently provided. Once the replicated systems have been successfully set up, all relevant customer data, including all product records for subscribed services will then be loaded into the replicated systems. Verizon will perform extensive testing to confirm the information has loaded correctly into the replicated systems. Verizon will also develop system readiness acceptance criteria to ensure that the separate instance created for the transferred territories will perform in a like manner as it did before close.

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The systems replicated and transferred to Frontier will be substantially identical to the existing systems. Frontier will also have the opportunity to confirm that such systems are in operation prior to closing. Systems will not be transferred unless Frontier is satisfied the condition to the closing of the Merger Agreement has been met. Under the Merger Agreement, Verizon has obligations to create separate instances of operating systems that will enable Frontier to provide service with functionality substantially similar to, but no less favorable than, that provided by Verizon using its existing systems. Similarly, pursuant to Sections 7.24(a) and 8.3 of the Merger Agreement, Frontier will have the right to confirm and validate that Verizon's obligations in that regard have been met as a condition precedent to closing. Frontier's test plan for such confirmation and validation will be separated into two sections. The first section will focus on those customer/carrier facing systems that allow service to be provisioned and have been replicated and are in production prior to closing. That set of tests will be primarily exception testing and testing for any activity that is not being processed properly. The second set of testing will cover the smaller number of downstream systems (e.g., payroll, accounts payable) that will be put into production at close and will involve various standard tests for functionality, including testing of end-to-end process flows.

Verizon has agreed to an independent third party who will validate that the results of Verizon's pre-production testing on the customer-affecting systems in the Fort Wayne OSS center are accurate. This third party reviewer will also validate the accuracy of Verizon's production results of the customer-affecting systems that serve retail telecommunications customers that will show that the results during production mode (a time period of not less than 60 days) are not materially less favorable than benchmark data from the 12 months prior to production mode on the replicated systems (taking into account exogenous factors, such as extreme, unique or unforeseeable weather conditions or other natural disasters). Verizon will share the results (subject to confidentiality protections) and the validation with Commission staff in several states prior to going into production mode on the replicated systems and again prior to close.

Further, Verizon has agreed in settlement agreements with Comcast that Comcast will have the ability to conduct certain order testing of the replicated systems after Verizon has completed its own initial testing. Under the agreement, Comcast may use a testing environment to submit test orders for Local Service Requests for directory listings and local number portability. Verizon will consult with Comcast to identify specific test scenarios. Comcast will test, at a minimum, LSR (LNP and DL) orders up to and including the service order processor, with full cycle scenarios covering pre-order, order submission, reject, jeopardy notices, order flow through and order completion notices (billing completion and provisioning completion). For billing, files will be validated jointly by the Parties for format, content and completeness with the replicated data. Verizon and Comcast have also agreed that they will establish a cooperative process through which Comcast may escalate concerns arising from the identification of system errors resulting from the replication, or other test failures. The Parties will work on a business-to-business basis to facilitate timely resolution of any such errors prior to the Replicated Systems being put into production.

Verizon's Responses to the FCC's Information and Document Requests

Based on the Comcast test orders, Verizon will issue a report documenting the replicated systems' functionality during this test period, based on Verizon's typical measurement of successful order processing. Verizon will not put the relevant replicated systems into full production mode until it is able to report (either as a result of initial tests or subsequent tests) that the Replicated Systems' performance is at least equal to the average performance of the current systems.

Once the existing Verizon operations support systems are replicated and put into production, those Replicated Systems will be used by Verizon to support the wholesale service it provides to Comcast for at least 60 days prior to the closing. During this period, Verizon will receive Comcast orders and provide services in the normal course of business. Frontier will validate the performance of the Replicated Systems to ensure the systems are fully operational. In the event that issues or problems arise as a result of the replication that affect Comcast including problems identified by Comcast and communicated to Verizon or Frontier, Verizon and Frontier will investigate and identify the source of the issues or problems, and Verizon/Frontier will work on a business-to-business basis with Comcast to facilitate timely resolution and Verizon/Frontier will make the necessary system modifications, if any, to remedy those service issues to ensure that those systems are fully operational.

Verizon has also agreed to provide commission staff in several states with sixty days of retail service quality reports at least five days prior to close certifying that by the end of the production mode, there has been no material (i.e., of substantial import) degradation from benchmark quality of service data for Installation Commitments, Network Trouble, Repair-percent of out-of-service trouble cleared in 48 hours, and Billing Error Complaints from 12 months prior to production mode on the replicated systems (using standard reporting procedures, including taking into account exogenous factors, such as weather or other natural disasters). Frontier will consider this data in the review that it performs to validate and confirm that the replicated systems are fully operational prior to closing.

Documents responsive to this request are identified in Verizon's master index listing, at Appendix A, and copies of responsive documents will be provided.

b. Preparation for standing up the replicated systems is ongoing. Verizon is conducting internal testing and the parties are exchanging information. For example Verizon is reporting on a weekly basis information regarding the replication process and testing of functional operations.

Documents responsive to this request are identified in Verizon's master index listing, at Appendix A, and copies of responsive documents will be provided.

c(1). Verizon currently ensures continuity of service in the Fort Wayne OSS center through the implementation of a number of resiliency technologies. These include:

Verizon's Responses to the FCC's Information and Document Requests

Network Resiliency: The Storage Area Network (SAN) architecture features redundant paths. In the event the one path (connection of the servers to the storage) is lost, an alternate path has been engineered so that the connection is restored, normally in seconds.

Application Resiliency: Web servers are accessed via network load balancers. Under normal conditions, the load balancer will evenly distribute the incoming traffic across the web servers implemented for a given application. In the event one of web servers experiences an issue, that server can be removed from seeing traffic, transparently to the customers being served. After the issue is resolved, the web server is again enabled to receive traffic. Additionally, application servers are clusters. Similar to the load balancer concept, a cluster of application servers will also distribute the load. In the event an application server experiences an issue, that server is removed from the cluster, and the workload continues to be processed on the remaining application servers in the cluster. After the issue is resolved, the application server is returned to the cluster and resumes processing traffic. The application servers have sufficient processing capacity to handle the loss of one or more of the cluster members.

Data Resiliency: Database servers are implemented in either a clustered or paired configuration, allowing for primary and failover processing. For clustered configurations, the clustered database servers share the processing load. In the event one of the database servers in the cluster experiences an issue, the other database server(s) in the cluster continue to process. For a primary/failover configuration, the primary database server processes all of the incoming transactions. In the event the primary database server experiences an issue, the incoming transactions are redirected to the failover database server. For both configurations, the hardware has sufficient processing capacity to handle the loss of a cluster member or the failure of the primary. Further, all database servers have periodic backup routines, where the frequency and type of backup is application dependent.

Once Verizon switches over the Fort Wayne OSS center to the replicated systems for the "Proving Period," Verizon will monitor the replicated systems to ensure proper functional operations of retail customer-facing systems, including redundancies and back-up measures in the event of system failures. Verizon will address any adverse conditions or situations that may occur in a timely manner to adequately resolve. Additionally, during this time period and continuing after closing, the replicated systems will be operated by the same personnel.

c(2). Please see the response as provided by Frontier.

c(3). Please see the response as provided by Frontier.

d. Documents responsive to this request are identified in Verizon's master index listing, at Appendix A, and copies of responsive documents will be provided.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #4

What motivated Frontier to purchase the Synchronoss wholesale ordering gateway product for use in Frontier's existing 24-state footprint at this time?

- a. Will all wholesale OSS functions in those areas be handled through Synchronoss? If not, please specify which functions will be placed on Synchronoss immediately, and which will not.
 - (1) Of those wholesale functions that will not immediately be placed on Synchronoss, please describe all plans and schedules for converting these functions to Synchronoss in detail.
 - (2) How will Frontier address the wholesale OSS functions that will not be placed on Synchronoss right away?
 - (3) What is the current status of the company's plans to incorporate CLEC testing into the protocol for the transfer to Synchronoss, and what additional plans for CLEC input into this transfer have been made?

RESPONSE TO FCC DATA REQUEST #4

Please see the response as provided by Frontier.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #5

What are the company's long-term plans for post-merger OSS, both in the legacy Frontier franchise areas and the transaction market areas? Please provide copies of all documents prepared (whether internally or by outside advisors) for, or in the course of, discussing or memorializing the development and refining of such plans.

- a. Does Frontier plan to outsource to consultants any aspect of the conversion of the OSS (e.g., functions, maintenance, support, etc.) it plans to use in the market area? If so, please describe in detail (and provide copies of all supporting documentation for your response) what specifically will be outsourced, to whom, and why.

RESPONSE TO FCC DATA REQUEST #5

Please see the response as provided by Frontier.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #6

What plans or efforts has Frontier made to ensure that, post-closing, it will have sufficient trained staff to operate, maintain, and support the OSS that Frontier will need to serve all of its customers in both the legacy Frontier territories and the territories to be acquired from Verizon? Please provide copies of all supporting documentation for your response.

RESPONSE TO FCC DATA REQUEST #6

Please see the response as provided by Frontier.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #7

With respect to Verizon's prior experience replicating its OSS, please describe in detail (and provide copies of supporting documentation for your responses to each section below):

- a. each prior instance in which Verizon has replicated its OSS or any portion of it for transfer to another entity;
- b. the length of time it took to complete each such replication and transfer;
- c. what types of problems arose in the course of testing the replicated systems prior to cutover;
- d. how long Verizon provided maintenance, troubleshooting, and other support for the system post-cutover, and at what cost to the transferee;
- e. whether there were any serious or catastrophic OSS failures post-transfer, and if so, how and when they were resolved;
- f. how you anticipate this OSS replication will compare with the instances described in the foregoing responses, and what assumptions underlie your expectations; and
- g. what incentives Verizon has to ensure the ongoing success of the transaction, including the robustness of OSS operations in the transaction market areas, after closing.

RESPONSE TO FCC DATA REQUEST #7

a. Verizon has substantial experience replicating software systems successfully. For example, Verizon replicated (i.e., created separate instances of) its Carrier Access Billing Systems ("CABS") and its ARBOR (vendor name) billing systems (used for high-speed internet) and cut over the existing data to those replicated systems as part of the Hawaiian Telecom Deal with Carlyle Group,. Those replicated systems were used successfully to operate the transferred lines during a one year transition period. Carlyle, however, decided to use a third party vendor to create brand new systems that it intended to use following the transition period. (Carlyle's subsequent systems issues stemmed from difficulties operating its new third-party systems, not from use of the separate instances of Verizon's systems which operated smoothly).

Verizon has successfully completed substantially more complex data extractions and systems replication in other circumstances. For example, starting in 2000, Verizon established a separate data affiliate, Verizon Advanced Data Inc. ("VADI") to handle the provision of DSL services in the eastern portions of Verizon's territories. This involved extracting data from legacy systems and moving it to more modern systems, working to replicate the multiple systems, and then integrating the various cross-links between those systems. The scale of this conversion was roughly five times larger than what is contemplated in the system replication at issue in Frontier and yet Verizon met each

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deadline and successfully operated the systems for many years, serving nearly 6 million customers with the replicated systems.

Verizon has also previously created separate systems instances, on an as needed basis, for other access line repositioning efforts and has performed Data Center consolidations in the past.

b. The elapsed time to conduct the actual replication of the separate instances in the Hawaiian Telecom transaction took less than a day; however the set-up, testing, and preparation stretched over several months prior to that in which Verizon made determinations as to relevant software and hardware, design and creation of data extracts, processing, and testing. The process for the VADI replication followed a similar process, but stretched over a longer period of time overall because portions of the replication were conducted seriatim on a state by state basis.

c. Verizon did not encounter any issues during the replication of the CABS and ARBOR systems or the VADI system.

d. Verizon has provided transition services to previous spin-off partners including Century-Link (formerly Century Tel), Windstream (formerly ALLTEL), the Carlyle Group and Fair Point. Transition support to CenturyLink and Windstream entailed delivery of system data extracts to the acquirers. Transition support to The Carlyle Group and FairPoint entailed delivery of transition services for a transition services following the closing of the transactions followed by system data extracts at the end of that transition services period.

e. No failures were encountered. The replicated systems were decommissioned post-close.

f. Not applicable per foregoing responses.

g. Verizon is aware of the importance of the post-close success of Frontier Corporation and will, under a commercial services agreement, provide system support for at least a year after close. The agreement provides that Verizon will maintain the OSS, providing patches, upgrades, and system enhancements, for one to five years after close. Frontier can terminate the agreement at any time after the first year without penalty, or choose to continue to use these duplicate Verizon systems for as long as it wishes. Frontier may also elect to continue to take some or all of this support from Verizon after the first year.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #8

With respect to Frontier's prior experiences with post-merger conversions/cutovers, please describe in detail (and provide copies of supporting documentation for your responses to each section below):

- a. the size and scope of each prior conversion/cutover Frontier has completed to date;
- b. how much time elapsed between the closing of each transaction and final completion of the entire conversion/cutover process;
- c. the scope, extent, and nature of the planning and testing that was conducted prior to the cutover;
- d. what effect the conversion and cutover process had on Frontier's service quality levels in each of the service territories subject to the conversion/cutover (please provide performance data for Frontier's service quality in each of the affected areas for the periods before, during, and after the conversion/cutover process was completed); and
- e. how you anticipate the conversion/cutover and OSS replication processes in this transaction will compare with the prior instances described in the foregoing responses, and what assumptions underlie your expectations.

RESPONSE TO FCC DATA REQUEST #8

Please see the response as provided by Frontier.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #9

Provide, along with copies of all documents used to create each response to this specification:

- a. An explanation of the transaction summary on pages 14-15 of the November 2009 presentation to Frontier's investors, including the following:
 - (1) How is the value to the merged entity affected by modifying the price/share and debt issuance assumptions?
 - (2) Explain how the transaction summary would be affected with the final year-end 2009 financial results for Frontier and Spinco rather than year-end 2008 financial results.
 - (3) Provide copies of all documents prepared expressly for Frontier (whether prepared internally or by outside advisors) used to create the aforementioned summary.
- b. An explanation of the key *pro forma* Financial Data summarized on page 16 of the November 2009 presentation to Frontier's investors, including:
 - (1) the basis of the \$500 million in synergies;
 - (2) how net debt is defined in this presentation;
 - (3) the impact of excluding severance, early retirement costs, and legal settlement costs on this analysis;
 - (4) the meaning of the phrase, "2008 audited financial statements adjusted for certain matters";
 - (5) how the key *pro forma* financial data would be affected if Frontier issues shares at either end of the share price collar; and
 - (6) copies of all documents prepared expressly for Frontier (whether prepared internally or by outside advisors) used to create the summary on page 16 of the November 2009 presentation to Frontier's investors.
- c. Please describe in detail the current status of Frontier's and Spinco's pension balances. In particular, explain whether and how the value of Frontier's or Spinco's pension plan assets or pension obligations in the next three to five years could affect the combined entity's financials and risk.
- d. A detailed explanation of the transaction's rationale as summarized on page 18 of the November 2009 presentation to Frontier's investors, including copies of all documents prepared expressly for Frontier (whether prepared internally or by outside advisors), which discuss:
 - (1) the rationale for the transaction;
 - (2) the underlying assumptions; and
 - (3) the risks of the proposed transaction.

Verizon's Responses to the FCC's Information and Document Requests

- e. A detailed explanation of the operational potentials from the proposed transaction as summarized on page 24 of the November 2009 presentation to Frontier's investors. Specifically, please provide an explanation and all supporting documentation for the following:
 - (1) how critical customer metrics (access line losses, high-speed Internet penetration, long distance penetration, and video penetration) will be achieved with the proposed transaction; and
 - (2) the risks and impact on the merged entity if the assumptions underlying Spinco's operational performance are not achieved and instead remain at their current level or decline further.

RESPONSE TO FCC DATA REQUEST #9

Please see the response as provided by Frontier for parts a, b, c, d, and e. Verizon also further responds to part c as follows:

As stated in the Employee Matters Agreement ("EMA"), the transfer amount that is to be transferred to each Spinco Pension Plan as of the distribution date shall be equal to the amount determined in accordance with the requirements of Section 414(l) of the United States Internal Revenue Code ("Code"). In the event that the aggregate of the Pension Plan Asset Transfer Amounts for all of the Verizon Pension Plans that qualified under Section 401(a) of the Code has a value which is less than the aggregate Projected Benefit Obligation ("PBO"), based on assumptions defined in the EMA, for all of the Spinco participants under all such qualified Verizon Pension Plans, Verizon will be responsible for the differential between the Aggregate PBO and the Aggregate Assets.

Documents responsive to this request are identified in Verizon's master index listing, at Appendix A, and copies of responsive documents will be provided.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #10

How will Frontier finance the acquisition? Please provide a detailed account of the sources of funding to be used for the transaction, including but not limited to:

- a. Balance Sheet Cash;
- b. New equity (common or preferred) issued;
- c. Rollover Equity
- d. Third-party debt (bank or bonds);
- e. Vendor-provided debt; and
- f. Seller-provided debt.

RESPONSE TO FCC DATA REQUEST #10

Please see the response as provided by Frontier as to parts a-f. Verizon additionally responds as to part f that it is not providing any financing to Frontier in connection with this transaction.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #11

With respect to 10(d), please state the type of debt (bank or bonds, etc.) and supply copies of any existing agreements relating thereto, specimen term sheets relating thereto, or similar.

RESPONSE TO FCC DATA REQUEST #11

Please see the response as provided by Frontier.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #12

With respect to 10(e) and (f), please provide copies of all existing documentation relating or referring to the availability or provision of any vendor-provided or seller-provided debt financing with respect to the transaction. Documents should be provided by both Frontier and Verizon in response to this specification.

RESPONSE TO FCC DATA REQUEST #12

Please see the response as provided by Frontier. Additionally, Verizon responds that it has no documents regarding the provision of any vendor-provided or seller-provided debt financing with respect to the transaction.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #13

With respect to 10(d), (e), and (f), if the transaction were to close on the date of your replies to these questions:

- a. What interest rate would be available to Frontier, and from whom, for either bank borrowing or the bond market?
- b. What positive and negative financial covenants would Frontier be required to agree to?
- c. Please provide draft documentation or term sheets concerning the above, to the extent they are available. If not available, please treat this as a continuing request and supply the requested documentation as it becomes available, up to and including the date of the Commission's order disposing of this matter.

RESPONSE TO FCC DATA REQUEST #13

Please see the response as provided by Frontier.

Verizon's Responses to the FCC's Information and Document Requests

FCC DATA REQUEST #14

Please provide examples of documentation for bonds or bank debt that Frontier has entered into most recently, or a list of principal terms and positive and negative financial covenants from such instruments.

RESPONSE TO FCC DATA REQUEST #14

Please see the response as provided by Frontier.